

Prompt spot prices for thermal coal (US\$/t)			
(FOB basis 6,700 kcal/kg GAD) ash 15% max, sulphur 1% max			
Location	29 Oct 04	22 Oct 04	% change
South Africa	59.80	59.60	0.34
Colombia	61.60	61.30	0.49
Venezuela	67.15	65.40	2.68
Russia Baltic	65.40	66.50	-1.65
Poland	65.30	65.50	-0.31
Newcastle	52.90	53.20	-0.56
Queensland	53.90	54.30	-0.74
China	54.80	55.40	-1.08
Russia East	58.90	59.85	-1.59
Banjarmasin	46.00	45.50	1.10
Mahakam	48.05	47.20	1.80

Prices are FOB vessel except Banjarmasin and Mahakam River which are FOB barge Source: e-coal.com

e-coal.com indicator prices (CIF basis 6,700 kcal/kg GAD)			
Europe - ARA	83.00	80.60	2.98
Asia	75.10	74.30	1.08

Source: e-coal.com

Market Comment

There have been further substantial increases in freight rates this week due to high demand for iron ore shipments as well as coal. Soya movement in the USA is also affecting

compared to this year when the JSM returned to the USA amid a very tight coking coal market.

■ Morocco: Jorf Lasfar is back in the market for three Panamax cargoes of thermal coal for delivery during February to April 2005. Bids close on 1 November.

■ Portugal: Following market soundings at *Coaltrans*, EdP has issued a tender for coal for delivery in 2005 and 2006, with flexible options for the suppliers in the hope of obtaining the best price available. The coal will also supply Hidro Cantabrico (HC) in Spain. Four Capesize cargoes each are sought for EdP and HC, to be index-linked. Alternatively, firm FOB prices could be accepted for three Capes per year for EdP and four Capes per year for HC. A major US supplier is understood to be offering tonnage with a package of benefits which could prove attractive. Bids close on 5 November.

■ Russia: Coal for supply during 2005 is rumoured to have been offered to a UK general industry buyer for about US\$64.00/t FOB Baltic. The quality of this coal is understood to be a little higher in ash than that required by the power utilities, suggesting the price to them would be higher but also dependent on a volume discount.

■ South Africa: Eskom is inviting suppliers of at least 400ktpa of thermal coal to complete pre-qualification forms.

■ Taiwan: Taipower has cancelled its latest spot tender because the offered prices were above the ceiling price.

■ USA - Coking: Drummond is reported to have settled contract tonnage with European steel makers at about

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yet, but there are rumours that Peabody Energy may be in a position to secure some business with SAIL.

■ Japan - Coking: The steel mills are expected to be looking to purchase up to 8Mt of coking coal from the USA in JFY2005. This would be an increase of some 2.5Mt

HR/Rotterdam	110,000t	21.40	20.10	6.47
Bolivar/Rotterdam	130,000t	21.80	20.45	6.60
Queensland/Rotterdam	130,000t	30.20	29.00	4.14
Richards Bay/ Rotterdam	130,000t	24.00	22.00	9.09

Source: e-coal.com